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Q59

Consider the following statements: 1. In terms of short-term credit delivery to the agriculture sector, District Central Cooperative Banks (DCCBs) deliver more credit in comparison to Scheduled Commercial Banks and Regional Rural Banks. 2. One of the most important functions of DCCBs is to provide funds to the Primary Agriculture Credit Societies. Which of the statements given above is/are correct? (a) 1 only (b) 2 only (c) Both 1 and 2 (d) Neither 1 nor 2 Official key: B.

UPSC Civil Services Prelims 2020 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

1 only. SCBs/RRBs, not DCCBs, dominate short-term agri credit by volume.

(b) Official key

2 only. A core DCCB job is to fund PACS.

(c)

Both. Statement 1 fails.

(d)

Neither. Statement 2 holds.

Summary

Official key is (b) 2 only. District Central Cooperative Banks refinance Primary Agricultural Credit Societies. They do not out-lend Scheduled Commercial Banks and RRBs in short-term agriculture credit.

Related possible facts

These can be asked in a future Prelims paper.

Three-tier co-op credit

PACS-DCCB-StCB.

SAO / KCC

The short-term agri products in that chain.

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